

Message Text

CONFIDENTIAL

PAGE 01 BERLIN 01602 142033Z

67

ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 EB-11 SIL-01 LAB-06 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03

RSC-01 PRS-01 SPC-03 SS-15 USIA-15 ACDA-19 IO-13

NIC-01 DRC-01 DOTE-00 /149 W
----- 097292

R 141350Z SEP 73

FM USMISSION BERLIN

TO SECSTATE WASHDC 2404

INFO AMEMBASSY BONN

AMEMBASSY BUDAPEST

AMEMBASSY LONDON

AMEMBASSY PRAGUE

C O N F I D E N T I A L BERLIN 1602

EO 11652: GDS

TAGS: PFOR, BFOL, ETRD, GW, GE, UK, US, EH

SUBJECT: GM-GDR PLANS FOR AUTOMOBILE PROJECT

REF: BERLIN 1482

1. SUMMARY. GM REPS MET WITH GDR OFFICIALS (DOELLING AND SCHMIED) DURING LEIPZIG FALL FAIR AND APPARENTLY CLEARED AWAY MISUNDERSTANDINGS THAT AROSE AT FIRST MEETING IN JUNE. GM UNDERTOOK TO PROVIDE WITHIN FOUR TO SIX WEEKS AN INFORMAL WRITTEN OFFER REGARDING COOPERATION WITH GDR AUTOMOBILE INDUSTRY. DOELLING CLAIMED THAT EAST GERMAN RESPONSE WOULD BE QUICKLY FORTHCOMING. ACTION REQUESTED: NOTIFY GM OF SCHMIED'S REQUEST THAT GM MAKE NO REFERENCE TO CONVERSATION WITH HIM IN DEALING WITH GDR AUTHORITIES. END SUMMARY.

2. STRUPP (GM), ACCOMPANIED BY MISSION OFFICER, MET IN LEIPZIG SEPTEMBER 4 WITH DOELLING OF GDR CHAMBER FOR FOREIGN TRADE (KFA), WHO SAID HE HAD BEEN AUTHORIZED TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BERLIN 01602 142033Z

DISCUSS PROPOSED COOPERATION PROJECT ON BEHALF OF GDR.

BOTH SIDES AT FIRST REPEATED THEIR EARLIER POSITIONS: GDR, THAT NO FURTHER CONSIDERATION OF GM PROPOSAL COULD TAKE PLACE UNTIL WRITTEN GM OFFER RECEIVED; GM, THAT NO WRITTEN PROPOSAL COULD BE FORTHCOMING UNTIL GDR PRODUCT DESIDERATA KNOWN. IT QUICKLY BECAME CLEAR THAT DIFFERENCES WERE DUE LARGELY TO SEMANTICS. GDR WANTED TO HAVE IN WRITTEN FORM THE ORAL PROPOSAL MADE BY GM IN JUNE (NOT A FORMAL BINDING PROPOSAL AS GM HAD SUSPECTED) AS BASIS FOR DECISION IN PRINCIPLE WHETHER TO GO AHEAD WITH PROJECT; DISCUSSION OF DETAILS AS TO FORM OF COOPERATION AND PRODUCT (S) WOULD BE LEFT FOR LATER. GM, ON OTHER HAND, WAS RELUCTANT TO PUT IN WRITING ANYTHING WHICH MIGHT COMMIT IT TO PROJECT WHOSE PARAMETERS WERE NEBULOUS. NEVERTHELESS, STRUPP, AFTER CHECKING WITH NEW YORK, TOLD DOELLING THAT GM WOULD PROVIDE WITHIN SIX WEEKS A WRITTEN OFFER IN ORDER SATISFY GDR REQUIREMENT. DOELLING SAID GDR RESPONSE WOULD BE QUICKLY FORTHCOMING, PROBABLY WITHIN TWO WEEKS AFTER RECEIPT OF GM OFFER.

3. AT CHANCE MEETING DURING KFA RECEPTION SEPTEMBER 5, STRUPP AND TWO ADAM OPEL REPS (JEHLE, BERLIN DISTRICT MANAGER, AND KUJAWA, EXPORT AND TRADE RELATIONS MANAGER, RUESSELSHIEM) DISCUSSED AT SOME LENGTH CONTENTS OF PROPOSED GM OFFER WITH SCHMIED, DIRECTOR, GDR MINISTRY FOR FOREIGN ECONOMIC RELATIONS. SCHMIED, EMPHASIZING THAT HE WAS SPEAKING IN STRICTLY PERSONAL CAPACITY, NOTED THAT GM WOULD BE WELL ADVISED TO MAKE ITS OFFER AS BROAD AS POSSIBLE BOTH AS REGARDS FORM OF COOPERATION PROPOSED AND PRODUCT OR PRODUCTS TO BE MANUFACTURED. HE SAID PRELIMINARY WRITTEN OFFER SHOULD FORECLOSE NO OPTIONS, SINCE, FOR EXAMPLE, GM-GDR COOPERATION MIGHT NOT BE POSSIBLE IN PRESENTLY ENVISAGED BILATERAL CONTEXT BUT ONLY WITHIN FRAMEWORK OF PLANNED TRIPARTITE (GDR-CZECH-HUNGARIAN) AUTOMOBILE PROJECT. SCHMIED ALSO INDICATED FOR FIRST TIME THAT GDR MIGHT BE INTERESTED IN OTHER THAN A MEDIUM-SIZED VEHICLE, SAYING THAT TRABANT WOULD HAVE TO BE PHASED OUT IN VIEW OF ENVIRONMENTAL PROBLEMS ITS ENGINE POSES. GDR WAS THEREFORE INTERESTED IN VEHICLES WITH A 900 CC ENGINE AS WELL IN 1,100 - 1,250 CC

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BERLIN 01602 142033Z

RANGE.

4. COMMENT. STRUPP APPARENTLY PERSUADED GDR INTERLOCUTORS THAT DELAY IN GM FOLLOW UP ON JUNE INITIATIVE HAD RESULTED FROM MISUNDERSTANDING AS TO WHAT GDR WANTED AND FROM GM'S DIFFERENT EXPERIENCES IN DEALING WITH OTHER EES AND SOVIET UNION. BALL IS CLEARLY NOW IN GM COURT. STRUPP ALSO USED OCCASION IN LEIPZIG TO DO SOME FENCE MENDING.

HE POINTED OUT TO MISSION OFFICER THAT
IN PURSUING GDR PROJECT GM WOULD HAVE TO MOVE CAREFULLY
AND IN CONCERT WITH ITS FRG SUBSIDIARY (ADAM OPEL) SINCE
OPEL, AND POSSIBLY VAUXHALL (GM'S UK SUBSIDIARY)
WOULD BE INVOLVED IF GDR OR EE COOPERATION VENTURE
MATERIALIZED. ACCORDING TO STRUPP, GM IS PARTICULARLY
SENSITIVE ABOUT NOT DOING ANYTHING THAT MIGHT HAVE
NEGATIVE EFFECT ON OPEL, WHICH IS MOST PROFITABLE COM-
PONENT OF ENTIRE GM STRUCTURE AND AS SUCH PROVIDES EXPANSION
CAPITAL FOR GM WORLDWIDE OPERATIONS.

5. ACTION REQUESTED. IN BRIEF ASIDES TO MISSION
OFFICERS, BOTH PRIOR TO AND AFTER MEETING WITH DEPUTY
MINISTER BEIL (BERLIN 1571), SCHMIED STRESSED PURELY
PRIVATE CHARACTER OF HIS REMARKS TO GM REPS ON
SEPTEMBER 5. WHILE HE HOPED HIS COMMENTS WOULD BE OF
ASSISTANCE TO GM IN FORMULATING A SATISFACTORY WRITTEN
OFFER, HE FELT THAT IT WOULD BE EMBARRASSING TO HIM
PERSONALLY AND PERHAPS LESSEN PROSPECTS OF A FAVORABLE
GDR DECISION IF GM WERE TO CITE HIM IN ITS FURTHER
DEALINGS WITH GDR AUTHORITIES. PLEASE ADVISE STRUPP
ACCORDINGLY. KLEIN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BERLIN01602
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS KLEIN
Errors: N/A
Film Number: n/a
From: BERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730935/aaaaazno.tel
Line Count: 138
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: BERLIN 1482
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2001 by kelleyw0>; APPROVED <19 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GM-GDR PLANS FOR AUTOMOBILE PROJECT
TAGS: PFOR, BFOL, ETRD, GE, GC, UK, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005